

Vienna, 30 April 2012

# INVESTOR INFORMATION

## Erste Group improves net profit to EUR 346.5 million in Q1 2012, EBA capital requirement already met as of March 2012

### HIGHLIGHTS<sup>1</sup>

- **Net interest income** improved by 2.7% from EUR 1,302.0 million in Q1 2011 to **EUR 1,336.9 million** in Q1 2012. At the same time, **net fee and commission income** declined by 5.5% to **EUR 430.3 million** (Q1 2011: EUR 455.2 million), mainly as a result of weaker securities business. The deterioration in **net trading result** from EUR 236.7 million to **EUR 93.6 million** was due to valuation gains in Q1 2011 which did not recur in Q1 2012. The underlying trading performance remained solid.
- As a result, **operating income** declined by 6.7% from EUR 1,993.9 million in Q1 2011 to EUR **1,860.8 million**. Reflecting continued strict cost management, **general administrative expenses** improved by 1.9% from EUR 963.0 million in Q1 2011 to **EUR 945.1 million**. This led to an **operating result** of **EUR 915.7 million** (Q1 2011: EUR 1,030.9 million), which was materially impacted by the weaker net trading result. Hence, the **cost/income ratio** was **50.8%** (Q1 2011: 48.3%).
- **Risk costs** rose by 26.2% from EUR 460.1 million to **EUR 580.6 million** in Q1 2012 or to 172 basis points of average customer loans. This was mainly due to additional provisions in Hungary in the amount of EUR 75.6 million relating to the interest subsidy scheme for performing FX loans imposed by legislation as well as in Romania in the amount of EUR 98.6 million, leading to a rise in the NPL coverage ratio. Asset quality remained stable in Austria, the Czech Republic and Slovakia. Overall, the **NPL ratio** rose to **8.8%** as of 31 March 2012 (year-end 2011: 8.5%), while the **NPL coverage ratio** improved to **61.9%** (31 December 2011: 61.0%).
- The strong improvement in **other operating result** to **EUR 131.2 million** was exclusively due to one-off income of EUR 250.6 million from the buy-back of tier 1 and tier 2 instruments.
- **Net profit after minorities**<sup>2</sup> rose by 7.8% to **EUR 346.5 million** in Q1 2012, while **return on equity** also improved from 9.6% in Q1 2011 to **11.2%**.
- Supported by a strong bottom-line performance and a positive development in the available-for-sale reserve, **shareholders' equity**<sup>3</sup> rose significantly to **EUR 12.8 billion** (year-end 2011: EUR 12.0 billion). **Core tier 1 capital** (excluding retained earnings for Q1 2012) improved markedly, to **EUR 11.4 billion** (year-end 2011: EUR 10.7 billion), due to the recognition of collateral in Romania in line with international rules (IFRS) and the Austrian Banking Act. Continued reductions in non core business and successful RWA optimisation resulted in a decline of **total risk-weighted assets** to **EUR 111.8 billion** as of 31 March 2012 (year-end 2011: EUR 114.0 billion). This resulted in an **EBA capital ratio** of **9.7%** as of 31 March 2012 (year-end 2011: 8.9%) and a **core tier 1 ratio** (total risk; Basel 2.5) of **10.2%** (year-end 2011: 9.4%).
- **Total assets**, at **EUR 216.7 billion**, were up 3.2% from EUR 210.0 billion at year-end. The **loan-to-deposit ratio** improved to **110.2%** as of 31 March 2012 (year-end 2011: 113.3%) on the back of increased customer deposits. Overall lending volume remained stable at EUR 134.8 billion.

<sup>1</sup> In accordance with IAS 8, comparative figures in the financial results (Q1 and Q2 2011) have been restated. For further details see Annual Report 2011, Notes to the financial statements, C. Accounting policies/ Restatement ([www.erstegroup.com/investorrelations](http://www.erstegroup.com/investorrelations)).

<sup>2</sup> The term "net profit/loss for the period after minorities" corresponds to the term "net profit/loss for the period attributable to the owners of the parent"

<sup>3</sup> The term "shareholders' equity" corresponds to the term "total equity attributable to the owners of the parent".

"With a first quarter net profit of EUR 346 million Erste Group made a strong start to 2012. The operating performance was equally satisfactory, when allowing for the exceptionally strong net trading result in the first quarter of 2011", said Andreas Treichl, Chief Executive Officer of Erste Group Bank AG, when presenting the results for the first quarter of 2012. "We also made excellent progress on the capital front. Even adjusted for the Romanian effect and excluding retained earnings, the EBA capital ratio - at 9.1% - surpassed the regulatory requirement of 9% for 30 June 2012", Treichl continued. "While the business environment continued to be difficult in Romania and Hungary, the important core markets Austria, Czech Republic and Slovakia continued to perform very well", Treichl concluded.

### Earnings performance in brief

Despite reduced operating expenses, the **operating result** declined by 11.2% in the first quarter of 2012 versus the same period in 2011 – from EUR 1,030.9 million to EUR 915.7 million – due to lower operating income. This, in turn, was mainly attributable to a weaker net trading result, which, in contrast to the previous year, did not benefit from valuation gains to the same extent.

First quarter 2012 **operating income** totalled EUR 1,860.8 million (Q1 2011: EUR 1,993.9 million). An increase in net interest income by 2.7% to EUR 1,336.9 million offset the decline in net fee and commission income (-5.5% to EUR 430.3 million) but not the drop in the net trading result (-60.5% to EUR 93.6 million). **General administrative expenses** were down by 1.9% to EUR 945.1 million (Q1 2011: EUR 963.0 million). This resulted in a **cost/income ratio** of 50.8% (Q1 2011: 48.3%).

**Net profit after minorities** improved by 7.8% from EUR 321.4 million in the first quarter of 2011 to EUR 346.5 million on the back of one-off effects that were positive overall (the proceeds from a buy-back of tier 1 and tier 2 instruments more than offset additional risk provisions in Hungary and Romania).

**Cash return on equity**, i.e. return on equity adjusted for non-cash expenses such as goodwill impairment and straight-line amortisation of customer relationships, was 11.3% for the first quarter of 2012 (reported ROE: 11.2%) versus 9.9% for the first quarter of 2011 (reported ROE: 9.6%).

**Cash earnings per share** for the first quarter of 2012 came to EUR 0.83 (reported EPS: EUR 0.80) versus cash earnings per share of EUR 0.79 (reported EPS: EUR 0.76) in the first quarter of 2011.

**Total assets**, at EUR 216.7 billion, were up 3.2% versus year-end 2011, mainly due to growth in interbank transactions, which, in turn, were driven by a strong rise in customer deposits.

The **solvency ratio** remained unchanged at 14.4% as of 31 March 2012, while risk-weighted assets declined by EUR 2.2 billion from EUR 114.0 billion to EUR 111.8 billion. Therefore, the solvency ratio remained comfortably above the statutory minimum requirement of 8.0%. The **tier 1 ratio**, relating to total risk, as defined by Basel 2.5, was 10.9% as of 31 March 2012 (versus 10.4% as of 31 December 2011).

## Outlook

Most of Erste Group's core markets are expected to post economic growth in 2012, albeit on a lower level than in 2011 – in line with the weakening outlook for the euro zone in the second half of 2011. A mild negative performance is forecast for Hungary and Croatia only.

Against this backdrop and despite the reduction of non-core assets, Erste Group expects a stable operating result in 2012 supported by selective loan growth in its core markets and further cost reductions. Risk costs are expected to decline to about EUR 2.0 billion in 2012, but will still be impacted by extraordinary provisioning requirements in Hungary (EUR 75.6 million in Q1 2012) and by the slow economic recovery in Romania. Erste Group expects to comfortably and sustainably meet all capital requirements (EBA, Basel 3) as and when required. Net income and the capital position will be further supported by one-off income in the order of EUR 160 million (pretax) from the buy-back of additional tier 1- and tier 2-instruments in the second quarter of 2012.

## I. FINANCIAL PERFORMANCE IN DETAIL

in EUR million	1-3 12	1-3 11	Change
Net interest income	1,336.9	1,302.0	2.7%
Risk provisions for loans and advances	-580.6	-460.1	26.2%
Net fee and commission income	430.3	455.2	-5.5%
Net trading result	93.6	236.7	-60.5%
General administrative expenses	-945.1	-963.0	-1.9%
Other result	152.0	-99.8	na
Pre-tax profit/loss	487.1	471.0	3.4%
<b>Net profit/loss for the period</b>	<b>379.9</b>	<b>364.2</b>	<b>4.3%</b>
Attributable to non-controlling interests	33.4	42.8	-22.0%
<b>Attributable to owners of the parent</b>	<b>346.5</b>	<b>321.4</b>	<b>7.8%</b>

### Net interest income: +2.7% versus the first quarter of 2011

Net interest income rose from EUR 1,302.0 million in the first quarter of 2011 to EUR 1,336.9 million in the first quarter of 2012. This was mainly due to a shift of interest income from trading assets (EUR 21.6 million), which is now included in net interest income rather than, as formerly, in the net trading result. Accordingly, trading assets were also included in calculating interest-bearing assets. This change was partly responsible for the slight contraction of the net interest margin (net interest income as a percentage of average interest-bearing assets) from 2.90% to 2.87%.

**Net fee and commission income: -5.5% versus the first quarter of 2011**

in EUR million	1-3 12	1-3 11	Change
Lending business	67.3	62.3	8.0%
Payment transfers	210.5	214.9	-2.0%
Card business	51.3	47.7	7.5%
Securities transactions	90.7	109.4	-17.1%
Investment fund transactions	46.2	52.4	-11.8%
Custodial fees	10.0	9.9	1.0%
Brokerage	34.5	47.1	-26.8%
Insurance brokerage business	22.7	24.6	-7.7%
Building society brokerage	8.2	9.0	-8.9%
Foreign exchange transactions	6.3	6.0	5.0%
Investment banking business	2.2	5.1	-56.9%
Other	22.4	23.9	-6.3%
<b>Total</b>	<b>430.3</b>	<b>455.2</b>	<b>-5.5%</b>

Net fee and commission income decreased in the first quarter of 2012 to EUR 430.3 million from the previous year's EUR 455.2 million. This development was mostly due to a decline in securities business (primarily in Austria), as well as in building society/ insurance brokerage and in investment banking. The result from the lending business was solid on the back of contributions from the Czech subsidiary and Intermarket Bank AG (consolidated since 1 August 2011).

**Net trading result: -60.5% versus the first quarter of 2011**

Despite an underlying solid trading performance the net trading result declined by 60.5% from EUR 236.7 million in the first quarter of 2011 to EUR 93.6 million in the first quarter of 2012. This was mainly attributable to significantly lower valuation results on the back of lower assets volumes. A further reason for the drop was the shift of interest income from trading assets (now reported in net interest income rather than, as formerly, in net trading result).

**General administrative expenses: -1.9% versus the first quarter of 2011**

in EUR million	1-3 12	1-3 11	Change
Personnel expenses	-570.5	-576.1	-1.0%
Other administrative expenses	-283.3	-292.4	-3.1%
Depreciation and amortisation	-91.3	-94.5	-3.4%
<b>Total</b>	<b>-945.1</b>	<b>-963.0</b>	<b>-1.9%</b>

**General administrative expenses** decreased from EUR 963.0 million to EUR 945.1 million (currency-adjusted: -0.5%).

**Personnel expenses** declined by 1.0% (currency-adjusted: +0.1%) from EUR 576.1 million to EUR 570.5 million. Major cost savings came in **other administrative expenses**, which decreased by 3.1% (currency-adjusted: -1.3%) from EUR 292.4 million to EUR 283.3 million, and in **depreciation**, which was down by 3.4% (currency-adjusted: -1.8%) from EUR 94.5 million to EUR 91.3 million.

The **headcount** has dropped to 49,686 employees since year-end 2011. This was mainly due to reorganisation measures in Hungary, Romania, and Ukraine.

**Headcount<sup>4</sup>**

	Mar 12	Dec 11	Change
<b>Employed by Erste Group</b>	<b>49,686</b>	<b>50,452</b>	<b>-1.5%</b>
Domestic	16,123	16,189	-0.4%
Erste Group, EB Oesterreich and subsidiaries	8,705	8,773	-0.8%
Haftungsverbund savings banks	7,418	7,416	0.0%
<b>Abroad</b>	<b>33,563</b>	<b>34,263</b>	<b>-2.0%</b>
Česká spořitelna Group	10,673	10,661	0.1%
Banca Comercială Română Group	8,928	9,245	-3.4%
Slovenská sporiteľňa Group	4,060	4,157	-2.3%
Erste Bank Hungary Group	2,613	2,948	-11.4%
Erste Bank Croatia Group	2,612	2,599	0.5%
Erste Bank Serbia	906	919	-1.4%
Erste Bank Ukraine	1,583	1,685	-6.1%
Savings banks subsidiaries & foreign branch offices	1,111	1,117	-0.5%
Other subsidiaries and foreign branch offices	1,077	932	15.6%

**Operating result: -11.2% versus the first quarter of 2011**

Due to the decline of the net trading result, markedly lower compared to the exceptionally strong first quarter 2011, **operating income** decreased by 6.7% in the first quarter of 2012 and totalled EUR 1,860.8 million (Q1 2011: EUR 1,993.9 million). Even though general administrative expenses were cut by 1.9% from EUR 963.0 million to EUR 945.1 million, the operating result nonetheless dropped from EUR 1,030.9 million to EUR 915.7 million.

**Risk provisions: +26.2% versus the first quarter of 2011**

Risk provisions (i.e. the balance of the allocation and release of provisions for the lending business together with the costs of direct loan write-offs offset by income received from the recovery of loans already written off) increased by 26.2% versus first quarter 2011, from EUR 460.1 million to EUR 580.6 million. This rise was attributable to additional provisions in Hungary in the amount of EUR 75.6 million and in Romania of EUR 98.6 million. In Hungary, the extraordinary expense reflected the expected cost of interest subsidies as required by law for performing private foreign-currency loans. In Romania this led to an increase of the NPL coverage ratio. In the first quarter of 2012, risk costs in relation to the average volume of customer loans were 172 basis points (Q1 2011: 138 basis points).

**Other operating result**

Other operating result improved from EUR -128.7 million in the first quarter of 2011 to EUR 131.2 million in the first quarter of 2012. This was mainly attributable to the buy-back of tier 1 and tier 2 instruments, which generated one-off proceeds of EUR 250.6 million. Other taxes rose from EUR 55.5 million to EUR 62.2 million, again due largely to banking taxes, which in 2012 had to be paid in Slovakia (EUR 3.5 million) for the first time, were raised in Austria by 25%, and were levied again also in Hungary. This line item also includes straight-line amortisation of intangible assets (i.e. customer relationships) in the amount of EUR 16.8 million (Q1 2011: EUR 17.3 million) as well as deposit insurance contributions of EUR 21.9 million (Q1 2011: EUR 21.1 million).

<sup>4</sup> End of period values.

## Results from financial assets

The overall result from all categories of financial assets deteriorated from EUR 28.9 million in the first quarter of 2011 to EUR 20.8 million. Valuation gains on assets held in the fair-value portfolio offset losses on sales of non core assets from the available-for-sale and held-to-maturity portfolios.

### Profit/loss

**Pre-tax profit**, at EUR 487.1 million, was 3.4% higher in the first quarter of 2012 than in the first quarter of 2011 (EUR 471.0 million).

**Net profit after minorities** rose by 7.8% from EUR 321.4 million in the first quarter of 2011 to EUR 346.5 million.

## II. FINANCIAL RESULTS: QUARTER-ON-QUARTER COMPARISON

in EUR million	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Net interest income	1,302.0	1,401.9	1,430.2	1,434.9	1,336.9
Risk provisions for loans and advances	-460.1	-460.7	-938.4	-407.7	-580.6
Net fee and commission income	455.2	450.9	445.9	435.2	430.3
Net trading result	236.7	52.1	-251.4	84.9	93.6
General administrative expenses	-963.0	-963.3	-965.3	-959.3	-945.1
Other operating result	-128.7	-131.5	-1,200.2	-129.5	131.2
Result from financial instruments - FV	9.5	-29.4	12.1	8.1	41.5
Result from financial assets - AfS	19.2	-5.1	-76.9	-3.4	-14.7
Result from financial assets - HtM	0.2	1.8	-19.0	-10.1	-6.0
Pre-tax profit/loss	471.0	316.7	-1,563.0	453.1	487.1
Taxes on income	-106.8	-68.6	70.4	-135.4	-107.2
<b>Net profit/loss for the period</b>	<b>364.2</b>	<b>248.1</b>	<b>-1,492.6</b>	<b>317.7</b>	<b>379.9</b>
Attributable to non-controlling interests	42.8	48.7	1.2	63.6	33.4
<b>Attributable to owners of the parent</b>	<b>321.4</b>	<b>199.4</b>	<b>-1,493.8</b>	<b>254.1</b>	<b>346.5</b>

**Net interest income** in the first quarter of 2012 totalled EUR 1,336.9 versus EUR 1,434.9 million in the fourth quarter of 2011. In the previous quarter, the shift of interest income from trading assets to net interest income had had a positive impact in the amount of EUR 83.9 million (Q1 2012: EUR 21.6 million).

**Net fee and commission income** decreased by 1.1%, from EUR 435.2 million in the fourth quarter of 2011 to EUR 430.3 million in the first quarter of 2012, due to diminishing commissions in the lending business.

The **net trading result** improved from EUR 84.9 million in the fourth quarter of 2011, which had been negatively impacted by the shift of interest income on trading assets (now included in net interest income), by 10.2% to EUR 93.6 million.

**General administrative expenses** decreased quarter on quarter by 1.5% from EUR 959.3 million to EUR 945.1 million, as declining personnel expenses (down by 5.5% from EUR 603.4 million to EUR 570.5 million in the first quarter of 2012) as well as amortisation and depreciation (down by 2.1% from EUR 93.3 million to EUR 91.3 million in the first quarter of 2012) more than offset the rise in other administrative expenses (by 7.9% from EUR 262.6 million to EUR 283.3 million in the first quarter of 2012).

The **cost/income ratio** was 50.8% in the first quarter of 2012 versus 49.1% in the fourth quarter of 2011.

**Risk provisions for loans and advances** rose by 42.4% quarter on quarter, from EUR 407.7 million to EUR 580.6 million. The first quarter of 2012 was primarily affected by additional provisions in Hungary (to cover interest subsidies required by law for performing private foreign-currency loans) and in Romania.

**Other operating result**, which in the first quarter of 2012 benefited from the one-off proceeds of buying back tier 1 and tier 2 instruments in the amount of EUR 250.6 million, came to EUR 131.2 million (Q4 11: EUR -129.5 million).

The **overall result** from all categories of **financial assets** turned positive. The item had been EUR -5.4 million in the fourth quarter of 2011 but was EUR 20.8 million in the first quarter of 2012. This improvement was mainly attributable to valuation gains on assets held in the fair-value portfolio.

**Pre-tax profit** rose to EUR 487.1 million in the first quarter of 2012 from EUR 453.1 million in the fourth quarter of 2011.

In the first quarter of 2012, **net profit after minorities** totalled EUR 346.5 million versus EUR 254.1 million in the fourth quarter of 2011.

### III. BALANCE SHEET DEVELOPMENT

in EUR million	Mar 12	Dec 11	Change
Loans and advances to credit institutions	13,403	7,578	76.9%
Loans and advances to customers	134,793	134,750	0.0%
Risk provisions for loans and advances	-7,407	-7,027	5.4%
Trading assets, derivative financial instruments	19,105	16,807	13.7%
Financial assets	40,574	38,132	6.4%
Other assets	16,241	19,766	-17.8%
<b>Total assets</b>	<b>216,709</b>	<b>210,006</b>	<b>3.2%</b>

**Loans and advances to credit institutions** increased from an exceptionally low level of EUR 7.6 billion at year-end 2011 to a normalised level of EUR 13.4 billion. EUR 4.0 billion of surplus liquidity that was placed in the ECB deposit facility as of 31 March 2012, is also included in this line item. Due to the upcoming maturity of issued bonds in April 2012 this surplus will decrease.

**Loans and advances to customers** were unchanged at EUR 134.8 billion as declines in lending to corporate clients of Erste Bank Oesterreich were offset by growth in lending to corporate customers through Česká spořitelna and Banca Comercială Română.

**Risk provisions** increased from EUR 7.0 billion to EUR 7.4 billion due to additional allocations. The NPL ratio (non-performing loans as a percentage of loans to customers) stood at 8.8% as of 31 March 2012 (8.5% as of 31 December 2011). The NPL coverage ratio improved further and rose from 61.0% as of year-end 2011 to 61.9%.

**Investment securities** held within the various categories of financial assets rose by 6.4% from EUR 38.1 billion as of year-end 2011 to EUR 40.6 billion on the back of growth in the available-for-sale and held-to-maturity portfolios. This development resulted from the acquisition of highly liquid assets to prepare for the new Basel 3 liquidity rules.

in EUR million	Mar 12	Dec 11	Change
Deposits by banks	25,373	23,785	6.7%
Customer deposits	122,349	118,880	2.9%
Debt securities in issue	32,135	30,782	4.4%
Trading liabilities, derivative financial instruments	9,890	9,873	0.2%
Other liabilities	6,213	5,723	8.6%
Subordinated liabilities	4,776	5,783	-17.4%
Total equity	15,973	15,180	5.2%
Attributable to non-controlling interests	3,218	3,143	2.4%
Attributable to owners of the parent	12,755	12,037	6.0%
<b>Total liabilities and equity</b>	<b>216,709</b>	<b>210,006</b>	<b>3.2%</b>

**Customer deposits** grew by 2.9%, from EUR 118.9 billion to EUR 122.4 billion, as of 31 March 2012. This development owed itself primarily to growth in savings deposits with Austrian savings banks and in the Czech Republic, as well as to other deposits by Czech customers. The rise in **deposits by banks** is mostly attributable to use of the 2<sup>nd</sup> tranche of the ECB's 3-year LTRO (longer-term refinancing operation) in the amount of EUR 1.1 billion.

At 110.2%, the **loan-to-deposit ratio** as of 31 March 2012 was lower than it had been as of 31 December 2011 (113.3%).

As the decline in bonds issues was more than offset by growth in mortgage and municipal bonds and certificates of deposit, **debt securities in issue** rose from EUR 30.8 billion by 4.4% to EUR 32.1 billion. The significant decline in subordinated liabilities to EUR 4.8 billion as of 31 March 2012 resulted from the buy-back of tier 1 and tier 2 instruments in total notional amount of approximately EUR 850 million.

Erste Group's **shareholders' equity** rose to **EUR 12.8 billion** as of 31 March 2012 (year-end 2011: EUR 12.0 billion). This was attributable not only to the strong increase in profitability in the first quarter of 2012 but also to a significant improvement in the available-for-sale reserve. **Tier 1 capital** after the deductions defined in the Austrian Banking Act amounted to EUR 12.2 billion (year-end 2011: EUR 11.9 billion).

**Core tier 1 capital** (excluding retained earnings for the first quarter of 2012) also improved markedly, to **EUR 11.4 billion** (year-end 2011: EUR 10.7 billion) due to the recognition of collateral for defaulted loans in Romania in line with international rules (IFRS) and the Austrian Banking Act. For 2013, Erste Group plans to adopt IFRS for the calculation of regulatory capital ratios. This will result in certain deductions, which, on a proforma basis (January 2012) reduce the positive impact from EUR 700 million to EUR 350 million.

At 111.8 billion, total **risk-weighted assets** as of 31 March 2012 were 2.0% lower than as of 31 December 2011 (EUR 114.0 billion). This decline was due to the sale of non-core assets and to a large number of additional measures taken to meet the EBA's equity capital requirement of 9% by the end of June 2012.

Total **eligible qualifying capital** of the Erste Group credit institution group, as defined by the Austrian Banking Act, declined from EUR 16.4 billion at year-end 2011 to EUR 16.1 billion as of 31 March 2012. The cover ratio with respect to the statutory minimum requirement at the reporting date (EUR 8.9 billion) was 179.7% (year-end 2011: 179.9%).

The **tier 1 ratio**, which includes the capital requirements for market and operational risk (total risk), improved to 10.9% (year-end 2011: 10.4%). The **core tier 1 ratio** rose to 10.2% as of 31 March 2012 (year-end 2011: 9.4%). The **core tier 1 ratio** as defined by the **EBA** stood at 9.7% as of 31 March 2012.

The **solvency ratio** in relation to total risk (total eligible qualifying capital as a percentage of the assessment base for total risk pursuant to § 22 par. 1 of the Austrian Banking Act) remained unchanged at 14.4% as of 31 March 2012, which was well above the statutory minimum requirement of 8.0%.

#### IV. SEGMENT REPORTING<sup>5</sup>

##### Erste Bank Oesterreich

The Erste Bank Oesterreich segment comprises the retail and SME business of Erste Bank Oesterreich and its subsidiaries, including all the savings banks in which Erste Bank Oesterreich holds majority stakes (savings banks in Salzburg, Tirol, and Hainburg), as well as s Bausparkasse.

A rise in net interest income from EUR 152.9 million in the first quarter of 2011 by EUR 8.8 million, or 5.8%, to EUR 161.7 million in first quarter 2012 was mainly due to higher deposits and improved margins. Net fee and commission income, at EUR 82.7 million, was stable versus first quarter 2011 (EUR 82.0 million). Decline in the net trading result from EUR 2.5 million in the first quarter of 2011 by EUR 5.6 million to EUR -3.1 million in first quarter 2012 was caused by negative valuation results. The slight rise in operating expenses by EUR 1.6 million, or 1.1%, to EUR 151.4 million from EUR 149.8 million resulted from the inclusion of Intermarket Bank AG in August 2011. The operating result improved from EUR 87.6 million in the first quarter of 2011 by EUR 2.3 million, or 2.6%, to EUR 89.9 million. The cost/income ratio was 62.7% versus 63.1% in first quarter 2011. Risk provisions were reduced from EUR 35.0 million in the previous year by EUR 3.6 million, or 10.3%, to EUR 31.4 million, reflecting stabilisation of the risk profile in the retail and SME portfolios.

An increase in the "Other result" by EUR 9.3 million to EUR 8.6 million in first quarter 2012 was mainly attributable to one-off proceeds from the sale of securities previously held in the available-for-sale portfolio. Banking tax amounted to EUR 2.3 million in first quarter 2012. Net profit after minorities rose from EUR 39.1 million in the first quarter of 2011 by EUR 11.4 million, or 29.2%, to EUR 50.5 million. Return on equity improved from 14.5% in the first quarter of 2011 to 15.4% for first quarter 2012.

##### Haftungsverbund/Savings Banks

Positive development in the loan volume resulted in an increase in net interest income by EUR 6.8 million, or 2.9%, versus first quarter 2011 to EUR 240.9 million. Net fee and commission income was down by a slight EUR 2.1 million, or 2.1%, to EUR 98.7 million in first quarter 2012. The net trading result declined from EUR 5.6 million in the first quarter of 2011 by EUR 1.7 million, or 30.4%, to EUR 3.9 million for first quarter 2012 due to lower valuation results. Operating expenses rose by a modest EUR 2.0 million, or 0.9%, to EUR 235.4 million. The operating result increased from EUR 107.1 million by EUR 1.0 million, or 0.9%, to EUR 108.1 million. At 68.5%, the cost/income ratio in first quarter 2012 was unchanged versus first quarter 2011.

Risk provisions were reduced by a substantial EUR 10.8 million, or 17.4%, from EUR 62.1 million in the first quarter of 2011 to EUR 51.3 million. The decline in the "Other result" from EUR -6.8 million by EUR 5.2 million to EUR -12.0 million was largely due to losses on sales from the available-for-sale portfolio. Banking tax totalled EUR 2.1 million in first quarter 2012. Net profit after minorities rose from EUR 1.9 million in the first quarter of 2011 by EUR 1.0 million to EUR 2.9 million.

<sup>5</sup> In the segment report, financial results from the first quarter of 2012 are compared to those from the first quarter of 2011. Unless stated otherwise, terms such as "in the previous year", "2011", "as of the first quarter of 2011" or "Q1 2011" accordingly relate to the first quarter of 2011, and terms such as "this year", "2012", "as of the first quarter of 2012" or "Q1 2012" relate to the first quarter 2012. The term "net profit/loss after minorities" corresponds with "net profit/loss attributable to owners of the parent". In accordance with IAS 8, comparative figures in the financial results (Q1 and Q2 2011) have been restated.

## **Central and Eastern Europe**

The segment Central and Eastern Europe includes primarily the retail and SME business of Česká spořitelna, Slovenská sporiteľňa, Erste Bank Hungary, Banca Comercială Română, Erste Bank Croatia, Erste Bank Serbia, and Erste Bank Ukraine. Contributions from the divisionalised business areas – Group Corporate & Investment Banking plus Group Markets – are reported in the respective segments.

### **Czech Republic**

Net interest income from the Czech retail and SME business, at EUR 282.6 million, was almost unchanged in first quarter 2012 versus the EUR 284.4 million recorded in the first quarter of 2011 (-0.6%). Currency-adjusted, it rose by 2.3%. This gain was based on higher contributions from the banking book while core business margins remained stable. Net fee and commission income declined from EUR 124.7 million in the first quarter of 2011 by EUR 12.5 million, or 10.0% (currency-adjusted: -7.4%), to EUR 112.2 million due to lower income from payment transfers and the securities business. The net trading result rose by EUR 1.2 million or, 7.7% (currency-adjusted: +10.9%), to EUR 16.7 million. Operating expenses increased by EUR 5.6 million, or 3.0% (currency-adjusted: -0.2%), to EUR 179.5 million in first quarter 2012.

The operating result declined from EUR 239.5 million in the first quarter of 2011 by EUR 7.5 million, or 3.1% (currency-adjusted: -0.3%), to EUR 232.0 million. Due to the improved economic environment and continued stabilisation of the portfolio, risk provisions fell significantly by EUR 26.4 million, or 37.2% (currency-adjusted: -35.4%), to EUR 44.5 million in first quarter 2012. Improvement of the "Other result" from EUR -7.7 million by EUR 6.7 million to EUR -1.0 million was primarily driven by a decline in other operating expenses.

At EUR 144.3 million, net profit after minorities increased by EUR 16.9 million, or 13.3% (currency-adjusted: +16.6%), and was thus significantly higher than in the first quarter of 2011 (EUR 127.4 million). The cost/income ratio was unchanged at 43.6%. Return on equity declined from 46.2% to 45.1%.

### **Romania**

The result in the Romanian retail and SME business reflected the difficult economic environment. Net interest income declined by EUR 33.0 million, or 17.7% (currency-adjusted: -15.2%), to EUR 153.0 million. This development was mainly due to weak consumer credit demand, declining margins on corporate business, and lower margins on mortgage lending. The decline in net fee and commission income by EUR 4.5 million, or 13.0% (currency-adjusted: -10.3%), from EUR 34.7 million in the first quarter of 2011 to EUR 30.2 million in first quarter 2012 was mainly attributable to lower income from insurance brokerage and payment transfers. The increase in the net trading result by EUR 15.8 million from EUR 1.1 million in the first quarter of 2011 to EUR 16.9 million resulted largely from valuation gains on currency positions. Comprehensive optimisation measures reduced operating expenses, especially on personnel, by EUR 9.1 million, or 9.2% (currency-adjusted: -6.4%), from EUR 98.8 million in the first quarter of 2011 to EUR 89.7 million for first quarter 2012.

The requirement for additional risk provisions of EUR 98.6 million (partly in the corporate and real estate business) caused risk provisions to rise from EUR 109.4 million by EUR 82.0 million, or 75.0% (currency-adjusted: +80.3%), to EUR 191.4 million in first quarter 2012. As of 31 March 2012, the NPL coverage ratio had thus improved to 52.2% versus 50.1% at year-end 2011.

Improvement in the item "Other result" from EUR -12.2 million by EUR 4.3 million, or 35.2% (currency-adjusted: +33.3%), to EUR -7.9 million in first quarter 2012 was mainly the result of higher income from financial assets and improved contributions from the leasing business. At EUR -72.2 million, net loss after minorities was EUR 72.9 million lower than the net profit of EUR 0.7 million posted in the previous year. Despite the decline in operating income, the cost/income ratio rose only slightly year on year from 44.5% to 44.8%.

### **Slovak Republic**

Net interest income in the Slovak retail and SME business declined from EUR 109.3 million in the first quarter of 2011 by EUR 2.9 million, or 2.7%, to EUR 106.4 million in first quarter 2012. This resulted mainly from a change in investment strategy for financial assets adopted to achieve sustainable optimisation of the Group's balance sheet structure, as well as a slight decline in retail business margins. Net fee and commission income was stable versus the previous year at EUR 27.7 million. The rise in the net trading result by EUR 1.3 million to EUR 2.1 million is attributable to valuation gains. Operating expenses increased from EUR 55.3 million by EUR 2.7 million, or 4.9%, to EUR 58.0 million due to higher depreciation in relation to additional IT investments.

Risk provisions reflected improvement in the market environment versus first quarter 2011. That benefited above all the retail business and led to a reduction in risk provisions from EUR 20.8 million in the first quarter of 2011 by EUR 2.3 million, or 11.1%, to EUR 18.5 million. Net profit after minorities declined from EUR 45.4 million in the first quarter of 2011 by EUR 2.1 million, or 4.6%, to EUR 43.3 million in first quarter 2012. The cost/income ratio rose from 40.1% in the first quarter of 2011 to 42.6% in first quarter 2012. Return on equity stood at 39.4% (Q1 11: 44.2%).

### **Hungary**

Net interest income in the Hungarian retail and SME business declined from EUR 93.0 million in the first quarter of 2011 by EUR 11.3 million, or 12.2% (currency-adjusted: -4.4%), to EUR 81.7 million for first quarter 2012. This was due to the impacts of early repayments of foreign-currency loans at non-market rates as permitted by law. Net fee and commission income was down by EUR 0.9 million, or 3.9%, to EUR 21.9 million. Currency-adjusted, however, that figure rose by 4.6%. The gain in the net trading result from EUR 3.8 million by EUR 1.8 million, or 47.4% (currency-adjusted: +60.4%), to EUR 5.6 million in first quarter 2012 was mainly attributable to foreign currency transactions resulting from the early repayment of FX loans. Due to the restructuring measures implemented in the fourth quarter of 2011, operating expenses decreased from EUR 49.6 million in the first quarter of 2011 by EUR 8.1 million or 16.3% (currency-adjusted: -8.9%), to EUR 41.5 million in first quarter 2012. The cost/income ratio improved to 38.0% from 41.5% in first quarter 2011.

The rise in risk provisions by EUR 53.8 million, or 69.6% (currency-adjusted: +84.6%), from EUR 77.3 million in the first quarter of 2011 to EUR 131.1 million was attributable to extraordinary risk provisions of EUR 75.6 million relating to the interest subsidy scheme for private FX borrowers imposed by legislation. This is affecting foreign currency retail borrowers meeting their contractual obligations (making scheduled payments of interest and principal) but not defaulting borrowers. The item "Other result" improved by EUR 5.3 million from EUR -21.6 million in the first quarter of 2011 to EUR -16.3 million. Net loss after minorities was EUR -81.8 million versus EUR -31.7 million in first quarter 2011.

### **Croatia**

In Croatia, net interest income from the retail and SME business rose from EUR 61.3 million in the first quarter of 2011 by EUR 2.8 million, or 4.6% (currency-adjusted: +6.8%), to EUR 64.1 million. This was mainly due to growth in financial assets. Reflecting the October 2011 transfer of the subsidiary handling the credit cards processing (and therefore allocation to the Corporate Center segment), net fee and commission income declined by EUR 1.2 million, or 7.1% (currency-adjusted: -5.1%), to 15.8 million from EUR 17.0 million in first quarter 2011. Decrease in the net trading result from EUR 3.5 million in the first quarter of 2011 by EUR 1.3 million, or 37.1% (currency-adjusted: -35.8%), to EUR 2.2 million was caused by negative valuation results. Operating expenses declined by EUR 2.1 million, or 5.9% (currency-adjusted: -3.9%), from EUR 35.7 million in the first quarter of 2011 to EUR 33.6 million in first quarter 2012.

The operating result was up by EUR 2.4 million, or 5.2% (currency-adjusted: +7.4%), from EUR 46.1 million to EUR 48.5 million. This improved the cost/income ratio from 43.6% in the first quarter of 2011 to 40.9%. An increased need for risk provisions in the SME business led to a rise of EUR 9.0 million, or

38.8% (currency-adjusted: +41.7%), from EUR 23.2 million to EUR 32.2 million in first quarter 2012. Net profit after minorities declined from EUR 11.2 million in the first quarter of 2011 by EUR 5.1 million, or 45.5% (currency-adjusted: -44.4%), to EUR 6.1 million. Return on equity was 8.1% versus 17.5% in first quarter 2011.

### **Serbia**

Net interest income at Erste Bank Serbia grew by EUR 0.1 million, or 1.2% (currency-adjusted: +5.4%), from EUR 8.6 million to EUR 8.7 million in first quarter 2012. This improvement was driven by a rise in lending volumes to retail and corporate clients and higher margins in the retail business. Net fee and commission income improved from EUR 2.7 million by EUR 0.8 million, or 29.6% (currency-adjusted: +35.1%), to EUR 3.5 million. The net trading result rose by EUR 0.4 million on the back of growing income from foreign exchange trading. Operating expenses increased from EUR 8.2 million in the first quarter of 2011 by EUR 0.1 million, or 1.2% (currency-adjusted: +5.5%), to EUR 8.3 million in first quarter 2012. This was attributable to higher other administrative expenses caused by increasing legal requirements. The cost/income ratio improved to 65.9% from 72.6% in first quarter 2011.

Risk costs grew from EUR 2.0 million by EUR 0.2 million, or 10.0% (currency-adjusted: +14.6%), to EUR 2.2 million due to higher risk provisions in the retail business. Net profit after minorities rose from EUR 0.5 million in the first quarter of 2011 by EUR 0.8 million to EUR 1.3 million. This brought substantial improvement in return on equity, which moved from 5.4% to 12.4%.

### **Ukraine**

As higher funding costs were only partly offset by higher interest income on other assets, net interest income at Erste Bank Ukraine declined from EUR 6.3 million in the first quarter of 2011 by EUR 0.3 million, or 4.8% (currency-adjusted: -7.8%), to EUR 6.0 million. Higher income from payment transfers led to an improvement of net fee and commission income by EUR 0.2 million to EUR 1.2 million in first quarter 2012. The net trading result was impacted by lower income from the securities business and declined by EUR 3.7 million, or 88.1%, from EUR 4.2 million to EUR 0.5 million (currency-adjusted: -88.5%).

Operating expenses increased by EUR 0.1 million, or 0.8%, to EUR 12.0 million. Currency-adjusted, operating expenses declined by 2.4%, however. The reduction of risk provisions by EUR 0.7 million, or 20.0% (currency-adjusted: -22.5%), to EUR 2.8 million resulted from substantial stabilisation in the commercial customers portfolio. The net loss after minorities deepened by EUR 6.3 million to EUR -8.2 million.

### **Group Corporate and Investment Banking (GCIB)**

The Group Corporate & Investment Banking segment includes the large corporate business, the real estate business of Erste Group with large corporate customers, equity capital markets, and the International Business unit (excluding treasury activities). The leasing subsidiary Erste Group Immorent is also included in this segment.

Net interest income increased by a moderate EUR 0.5 million, or 0.5%, versus first quarter 2011 to EUR 128.2 million. While net interest income from International Business declined by EUR 3.3 million, or 12.6%, to EUR 22.8 million due to lower volume (risk-weighted assets had been reduced by about 36% year on year), the real estate and large corporate business grew by EUR 3.8 million. Net fee and commission income decreased by EUR 9.9 million, or 32.9%, to EUR 20.2 million. This was attributable to a reduction in new business and declining income from Erste Group Immorent's project development business. The net trading result dropped by EUR 95.3 million, or 94.2%, to EUR 5.9 million. This was mainly attributable to non-recurring valuation gains (about EUR 100 million) relating to the CDS investment portfolio of the International Business that had been recognised in first quarter 2011.

Operating expenses were down by EUR 0.3 million, or 0.7%, to EUR 44.6 million. Risk provisions increased by EUR 19.3 million, or 34.5%, to EUR 75.2 million. This was primarily due to risk provisions in the real estate business and in the large corporate business in Romania, while risk provisions were down significantly in the International Business and in the remaining large corporate business. The operating result declined from EUR 214.1 million in the first quarter of 2011 by EUR 104.4 million, or 48.8%, to EUR 109.7 million in first quarter 2012. Negative valuation results and losses on sales resulting from continued reduction of International Business assets, in particular, caused the "Other result" to decline by EUR 20.5 million to EUR -21.9 million.

Net profit after minorities fell by EUR 107.8 million, or 94.4%, from EUR 114.2 million to EUR 6.4 million. This was mainly attributable to the net trading result in International Business, the rise in risk provisions, and valuation losses in the item "Other result". The cost/income ratio rose from 17.3% in the first quarter of 2011 to 28.9%.

### **Group Markets**

The Group Markets segment comprises the divisionalised business areas Group Treasury and Capital Markets and includes the treasury activities of Erste Group Bank AG, the CEE subsidiaries, the foreign branch offices in Hong Kong, New York, Berlin, and Stuttgart and of the investment banking subsidiaries in CEE, as well as the result of Erste Asset Management.

The operating result of the Group Markets segment improved from EUR 94.8 million in the first quarter of 2011 to EUR 105.0 million in first quarter 2012. This was mainly due to an increase in net interest income, which rose from EUR 24.6 million by EUR 21.6 million, or 87.4%, to EUR 46.1 million. The gain in net interest income was attributable to higher income from government bonds and CEE swaps as well as to the shift of funding costs and interest income from trading assets. The latter comprised the main factor decreasing the net trading result by EUR 14.1 million, or 14.8%, to EUR 81.4 million from the previous year's EUR 95.5 million. Net fee and commission income declined by EUR 1.3 million, or 3.6%, to EUR 35.0 million, which was due in particular to lower profit contributions from Erste Asset Management. Operating expenses, at EUR 57.5 million, were EUR 4.1 million, or 6.7%, lower than in first quarter 2011. Costs were cut to a roughly similar extent across all business areas. The cost/income ratio improved from 39.4% to 35.4%. Net profit after minorities increased from EUR 73.8 million in the first quarter of 2011 by EUR 7.2 million, or 9.8%, to EUR 81.0 million. Return on equity was 95.4%.

### **Corporate Center**

The Corporate Center segment includes the results of those companies that cannot be directly allocated to a business segment, intragroup consolidation between the segments, the straight-line amortisation of customer relationships (especially for Banca Comercială Română, Erste Card Club, and Ringturm KAG), as well as one-time effects not allocated to any business segment for the sake of consistency and to assist like-for-like comparisons. Furthermore, the asset/liability management of Erste Group Bank AG (Holding) is included in this segment. The results of the local asset/liability management units continue to be allocated to the corresponding business segments.

The rise in net interest income from EUR 13.8 million to EUR 57.5 million was mainly driven by an increase of structural contributions in asset/liability management. The positive development of net fee and commission income and increase in operating expenses were largely attributable to intragroup consolidation of banking support operations. The net trading result dropped from EUR 3.0 million to EUR -38.9 million due to lower valuations on hedging instruments used in asset/liability management.

The item "Other result" included amortisation of customer relationships in the amount of EUR 16.8 million and banking tax relating to the Holding (Erste Group Bank AG) in the amount of EUR 36.7 million as well as the proceeds from buying back tier 1 and tier 2 instruments (hybrid capital and subordinated bonds) in the amount of EUR 250.6 million.

## V. EXCHANGE RATE DEVELOPMENT

Euro FX rates	End of period rates			Average rates		
	Mar 12	Dec 11	Change	1-3 12	1-3 11	Change
EUR/CZK	24.73	25.79	4.1%	25.08	24.37	-2.9%
EUR/RON	4.38	4.32	-1.4%	4.35	4.22	-3.1%
EUR/HUF	294.92	314.58	6.2%	296.58	272.45	-8.9%
EUR/HRK	7.51	7.54	0.3%	7.56	7.40	-2.1%
EUR/RSD	111.70	106.00	-5.4%	108.17	103.79	-4.2%
EUR/UAH	10.72	10.36	-3.4%	10.53	10.87	3.2%

Positive change = appreciation vs EUR, negative change = depreciation vs EUR

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This release is also available on our website at <http://www.erstegroup.com/en/Investors/News>.

# Appendix

## I. PROFIT AND LOSS ACCOUNT (IFRS) OF ERSTE GROUP

in EUR million	1-3 12	1-3 11	Change
Net interest income	1,336.9	1,302.0	2.7%
Risk provisions for loans and advances	-580.6	-460.1	26.2%
Net fee and commission income	430.3	455.2	-5.5%
Net trading result	93.6	236.7	-60.5%
General administrative expenses	-945.1	-963.0	-1.9%
Other operating result	131.2	-128.7	na
Result from financial instruments - FV	41.5	9.5	>100.0%
Result from financial assets - AfS	-14.7	19.2	na
Result from financial assets - HtM	-6.0	0.2	na
Pre-tax profit/loss	487.1	471.0	3.4%
Taxes on income	-107.2	-106.8	0.4%
<b>Net profit/loss for the period</b>	<b>379.9</b>	<b>364.2</b>	<b>4.3%</b>
Attributable to non-controlling interests	33.4	42.8	-22.0%
<b>Attributable to owners of the parent</b>	<b>346.5</b>	<b>321.4</b>	<b>7.8%</b>

## II. STATEMENT OF COMPREHENSIVE INCOME

in EUR million	1-3 12	1-3 11	Change
<b>Net profit/-loss before minorities</b>	<b>379.9</b>	<b>364.2</b>	<b>4.3%</b>
Available for sale - reserve (including currency translation)	396.4	-54.1	na
Cash flow hedge - reserve (including currency translation)	3.1	-37.7	na
Actuarial gains and losses	0.0	0.0	na
Currency translation	124.2	221.9	-44.0%
Deferred taxes on items recognised directly in equity	-92.0	17.5	na
<b>Other comprehensive income – total</b>	<b>431.7</b>	<b>147.6</b>	<b>&gt;100.0%</b>
<b>Total comprehensive income</b>	<b>811.6</b>	<b>511.8</b>	<b>58.6%</b>
Attributable to non-controlling interests	157.0	-2.1	na
<b>Attributable to owners of the parent</b>	<b>654.6</b>	<b>513.9</b>	<b>27.4%</b>

### III. BALANCE SHEET (IFRS) OF ERSTE GROUP

in EUR million	Mar 12	Dec 11	Change
<b>ASSETS</b>			
Cash and balances with central banks	5,480	9,413	-41.8%
Loans and advances to credit institutions	13,403	7,578	76.9%
Loans and advances to customers	134,793	134,750	0.0%
Risk provisions for loans and advances	-7,407	-7,027	5.4%
Derivative financial instruments	10,989	10,931	0.5%
Trading assets	8,116	5,876	38.1%
Financial assets - at fair value through profit or loss	1,220	1,813	-32.7%
Financial assets - available for sale	21,675	20,245	7.1%
Financial assets - held to maturity	17,679	16,074	10.0%
Equity holdings in associates accounted for at equity	178	173	2.9%
Intangible assets	3,480	3,532	-1.5%
Property and equipment	2,285	2,361	-3.2%
Current tax assets	115	116	-0.9%
Deferred tax assets	618	702	-12.0%
Assets held for sale	188	87	>100.0%
Other assets	3,897	3,382	15.2%
<b>Total assets</b>	<b>216,709</b>	<b>210,006</b>	<b>3.2%</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits by banks	25,373	23,785	6.7%
Customer deposits	122,349	118,880	2.9%
Debt securities in issue	32,135	30,782	4.4%
Derivative financial instruments	9,332	9,337	-0.1%
Trading liabilities	558	536	4.1%
Provisions	1,558	1,580	-1.4%
Current tax liabilities	52	34	52.9%
Deferred tax liabilities	360	345	4.3%
Other liabilities	4,243	3,764	12.7%
Subordinated liabilities	4,776	5,783	-17.4%
Total equity	15,973	15,180	5.2%
Attributable to non-controlling interests	3,218	3,143	2.4%
Attributable to owners of the parent	12,755	12,037	6.0%
<b>Total liabilities and equity</b>	<b>216,709</b>	<b>210,006</b>	<b>3.2%</b>

## IV. SEGMENT REPORTING – ERSTE GROUP

### Overview\*

	Retail & SME		GCIB		Group Markets		Corporate Center		Total group	
in EUR million	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11
Net interest income	1,105.1	1,135.9	128.2	127.7	46.1	24.6	57.5	13.8	1,336.9	1,302.0
Risk provisions for loans and advances	-505.4	-404.2	-75.2	-55.9	0.0	0.0	0.0	0.0	-580.6	-460.1
Net fee and commission income	393.9	413.6	20.2	30.1	35.0	36.3	-18.8	-24.8	430.3	455.2
Net trading result	45.2	37.0	5.9	101.2	81.4	95.5	-38.9	3.0	93.6	236.7
General administrative expenses	-809.4	-827.8	-44.6	-44.9	-57.5	-61.6	-33.6	-28.7	-945.1	-963.0
Other result	-37.7	-54.1	-21.9	-1.4	-1.0	3.5	212.6	-47.8	152.0	-99.8
Pre-tax profit/-loss	<b>191.7</b>	<b>300.4</b>	<b>12.6</b>	<b>156.8</b>	<b>104.0</b>	<b>98.3</b>	<b>178.8</b>	<b>-84.5</b>	<b>487.1</b>	<b>471.0</b>
Taxes on income	-68.1	-70.7	-4.6	-37.3	-21.1	-20.8	-13.4	22.0	-107.2	-106.8
<b>Net profit/loss for the period</b>	<b>123.6</b>	<b>229.7</b>	<b>8.0</b>	<b>119.5</b>	<b>82.9</b>	<b>77.5</b>	<b>165.4</b>	<b>-62.5</b>	<b>379.9</b>	<b>364.2</b>
Attributable to non-controlling interests	37.4	37.1	1.6	5.3	1.9	3.7	-7.5	-3.3	33.4	42.8
<b>Attributable to owners of the parent</b>	<b>86.2</b>	<b>192.6</b>	<b>6.4</b>	<b>114.2</b>	<b>81.0</b>	<b>73.8</b>	<b>172.9</b>	<b>-59.2</b>	<b>346.5</b>	<b>321.4</b>
Average risk-weighted assets	71,540.0	75,240.8	22,556.1	24,730.6	2,555.2	2,611.7	13.6	1,034.2	96,664.9	103,617.3
Average attributed equity	5,014	4,135	2,257	1,979	340	304	4,788	6,970	12,398	13,388
<b>Cost/income ratio</b>	<b>52.4%</b>	<b>52.2%</b>	<b>28.9%</b>	<b>17.3%</b>	<b>35.4%</b>	<b>39.4%</b>	<b>na</b>	<b>na</b>	<b>50.8%</b>	<b>48.3%</b>
<b>Return on equity</b>	<b>6.9%</b>	<b>18.6%</b>	<b>1.1%</b>	<b>23.1%</b>	<b>95.4%</b>	<b>97.1%</b>	<b>14.4%</b>	<b>na</b>	<b>11.2%</b>	<b>9.6%</b>

\*) "Other result" for the Corporate Center includes the depreciation for the customer base amounting to EUR 16.8 million.

"Other result" summarises four P&L positions: Other operating result; Results from financial assets – at fair value through profit or loss, – available for sale, and – held to maturity.

## Austria segment\*

in EUR million	EB Oesterreich		Savings banks		Austria	
	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11
Net interest income	161.7	152.9	240.9	234.1	402.6	387.0
Risk provisions for loans and advances	-31.4	-35.0	-51.3	-62.1	-82.7	-97.1
Net fee and commission income	82.7	82.0	98.7	100.8	181.4	182.8
Net trading result	-3.1	2.5	3.9	5.6	0.8	8.1
General administrative expenses	-151.4	-149.8	-235.4	-233.4	-386.8	-383.2
Other result	8.6	-0.7	-12.0	-6.8	-3.4	-7.5
Pre-tax profit/-loss	67.1	51.9	44.8	38.2	111.9	90.1
Taxes on income	-14.8	-11.4	-11.3	-9.5	-26.1	-20.9
<b>Net profit/loss for the period</b>	<b>52.3</b>	<b>40.5</b>	<b>33.5</b>	<b>28.7</b>	<b>85.8</b>	<b>69.2</b>
Attributable to non-controlling interests	1.8	1.4	30.6	26.8	32.4	28.2
<b>Attributable to owners of the parent</b>	<b>50.5</b>	<b>39.1</b>	<b>2.9</b>	<b>1.9</b>	<b>53.4</b>	<b>41.0</b>
Average risk-weighted assets	13,334.6	13,522.8	23,593.2	24,046.1	36,927.8	37,568.9
Average attributed equity	1,310.0	1,075.2	365.2	293.6	1,675.2	1,368.8
<b>Cost/income ratio</b>	<b>62.7%</b>	<b>63.1%</b>	<b>68.5%</b>	<b>68.5%</b>	<b>66.1%</b>	<b>66.3%</b>
<b>Return on equity</b>	<b>15.4%</b>	<b>14.5%</b>	<b>3.2%</b>	<b>2.6%</b>	<b>12.8%</b>	<b>12.0%</b>

\*) "Other result" summarises four P&L positions: Other operating result; Results from financial assets – at fair value through profit or loss, – available for sale, and – held to maturity.

## Central and Eastern Europe (CEE) segment\*

	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Ukraine	
in EUR million	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11	1-3 12	1-3 11
Net interest income	282.6	284.4	153.0	186.0	106.4	109.3	81.7	93.0	64.1	61.3	8.7	8.6	6.0	6.3
Risk provisions for loans and advances	-44.5	-70.9	-191.4	-109.4	-18.5	-20.8	-131.1	-77.3	-32.2	-23.2	-2.2	-2.0	-2.8	-3.5
Net fee and commission income	112.2	124.7	30.2	34.7	27.7	27.9	21.9	22.8	15.8	17.0	3.5	2.7	1.2	1.0
Net trading result	16.7	15.5	16.9	1.1	2.1	0.8	5.6	3.8	2.2	3.5	0.4	0.0	0.5	4.2
General administrative expenses	-179.5	-185.1	-89.7	-98.8	-58.0	-55.3	-41.5	-49.6	-33.6	-35.7	-8.3	-8.2	-12.0	-11.9
Other result	-1.0	-7.7	-7.9	-12.2	-5.4	-5.0	-16.3	-21.6	-2.3	-1.8	-0.3	-0.3	-1.1	2.0
Pre-tax profit/-loss	186.5	160.9	-88.9	1.4	54.3	56.9	-79.7	-28.9	14.0	21.1	1.8	0.8	-8.2	-1.9
Taxes on income	-39.1	-31.0	12.6	-0.3	-11.0	-11.5	-2.1	-2.8	-2.4	-4.2	0.0	0.0	0.0	0.0
<b>Net profit/loss for the period</b>	<b>147.4</b>	<b>129.9</b>	<b>-76.3</b>	<b>1.1</b>	<b>43.3</b>	<b>45.4</b>	<b>-81.8</b>	<b>-31.7</b>	<b>11.6</b>	<b>16.9</b>	<b>1.8</b>	<b>0.8</b>	<b>-8.2</b>	<b>-1.9</b>
Attributable to non-controlling interests	3.1	2.5	-4.1	0.4	0.0	0.0	0.0	0.0	5.5	5.7	0.5	0.3	0.0	0.0
<b>Attributable to owners of the parent</b>	<b>144.3</b>	<b>127.4</b>	<b>-72.2</b>	<b>0.7</b>	<b>43.3</b>	<b>45.4</b>	<b>-81.8</b>	<b>-31.7</b>	<b>6.1</b>	<b>11.2</b>	<b>1.3</b>	<b>0.5</b>	<b>-8.2</b>	<b>-1.9</b>
Average risk-weighted assets	12,641.1	13,410.1	8,616.4	9,151.8	4,252.0	4,962.9	3,534.1	4,500.3	4,230.2	4,372.5	499.8	547.9	838.6	726.5
Average attributed equity	1,280.7	1,102.9	825.0	522.9	439.7	411.1	361.9	371.6	301.2	256.4	42.0	37.3	88.1	63.5
<b>Cost/income ratio</b>	<b>43.6%</b>	<b>43.6%</b>	<b>44.8%</b>	<b>44.5%</b>	<b>42.6%</b>	<b>40.1%</b>	<b>38.0%</b>	<b>41.5%</b>	<b>40.9%</b>	<b>43.6%</b>	<b>65.9%</b>	<b>72.6%</b>	<b>155.8%</b>	<b>103.5%</b>
<b>Return on equity</b>	<b>45.1%</b>	<b>46.2%</b>	<b>na</b>	<b>0.5%</b>	<b>39.4%</b>	<b>44.2%</b>	<b>na</b>	<b>na</b>	<b>8.1%</b>	<b>17.5%</b>	<b>12.4%</b>	<b>5.4%</b>	<b>na</b>	<b>na</b>

\*) "Other result" summarises four P&L positions: Other operating result; Results from financial assets – at fair value through profit or loss, – available for sale, and – held to maturity.